Rymer, Edwina

From: Dellinger, Philip

Sent: Monday, April 27, 2015 8:19 AM

To: R6 6WQ-SG **Cc:** Brown, Jamesr

Subject: FW: State orders two energy firms to prove wells aren't causing North Texas

earthquakes

A little late but impressive step.

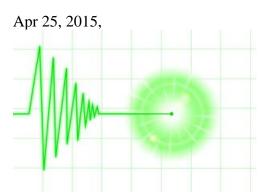
From: Casso, Ruben

Sent: Monday, April 27, 2015 7:51 AM

To: Dellinger, Philip

Subject: State orders two energy firms to prove wells aren't causing North Texas earthquakes

State orders two energy firms to prove wells aren't causing North Texas earthquakes



Enlarge Photo



Paul O'Donnell

Editor-in-Chief- Dallas Business Journal

The state agency that regulates the oil and gas industry is ordering an <u>Exxon Mobil Corp.</u> subsidiary and another energy company to prove their wells aren't responsible for a swarm of earthquakes in North Texas.

On Friday, the Texas Railroad Commission told officials at Fort Worth-based XTO Energy Inc., the Exxon subsidiary, and EnerVest Operating LLC to appear at hearings scheduled for June to explain why their wells near Azle shouldn't be shut down.

The agency's order follows <u>findings published this week</u> by seismic experts at Southern Methodist University that connected two wastewater disposal wells operated by the companies to a flurry of earthquakes that rocked

the area northwest of Fort Worth between November 2013 and January 2014. The study concluded that the 30 temblors were most likely caused by high volumes of drilling wastewater injected deep into the ground as natural gas was pumped out.

TRC said the wells at issue are XTO's West Lake SWD No. 1 in the Barnett Shale in Parker County and EnerVest's Briar No. 1 in the Strawn Field in Wise County.

<u>In a statement</u>, commission chair <u>Christi Craddick</u> said: "In light of SMU's study linking disposal well activity to earthquakes in 2013, it is important to assess this new information in relation to the continued operational safety of the wells.

"The Railroad Commission has in place strong rules addressing the issue of seismicity and disposal well activity, and it is incumbent upon us to apply these rules where and when appropriate for the protection of public safety and our natural environment," she said.

Houston-based EnerVest told the Wall Street Journal that it doubts the SMU findings.

"We have serious questions about some of the assumptions in the SMU paper, and we look forward to sharing these with the commission," company spokesman Ron Whitmire told the Journal.

In addition to the SMU study, a report this week from the U.S. Geological Survey concluded that the risk of earthquakes in North Texas has more than tripled since 2008. USGS attributed the increase in seismic activity in Texas and seven other states to the "disposal of wastewater from energy production into deep wells."

TRC said it is reviewing the SMU report. Its hearings are set for June 10-11 for XTO and June 15-16 for EnerVest